

TITLE: PG&E Facility Work Settlement Change Order	DATE: 10/10/2018
PROJECT: Construction Package 2-3	CONTRACT NO.: HSR 13-57
CONTRACTOR: Attn: Michael Costa Dragados/Flatiron Joint Venture 1775 Park St., Bldg. 75 Selma, CA 93662	

DESCRIPTION OF CHANGE:

Dragados/Flatiron Joint Venture ("DFJV" or "Contractor") and the California High Speed Rail Authority ("Authority") (together, the "Parties") have negotiated a resolution to certain ongoing disputes relating to the PG&E Facility Work – namely, those disputes involving Insurance, Liability, and Time Impact. (See Contract Book I, Part B.1 – Special Provisions Section 13.0 and Part B.2 – General Provisions Sections 17.2, 17.4, and 23.) Except in the event of a breach of the obligations set forth herein, this PG&E Facility Work Settlement Change Order shall fully and finally resolve Dispute 20.

COMPENSATION FOR WORK:

1. The Authority shall pay DFJV for PG&E Facility Work out of the PG&E Provisional Sum under SP 13.0, including a 7% on total cost of subcontractor work (which cost, for further clarity, in the case of the TRC Subcontract (defined below) includes a 10% fee).

INSURANCE:

1. The Authority understands that Contractor intends to enter into a subcontract with ARB, Inc. (the "ARB Subcontract") for the gas facility relocation portion of the PG&E Facility Work on the Project. The Authority agrees to pay Contractor the verified costs of a \$50MM excess liability policy insuring ARB's performance of that work on the terms specified in Articles 15.1 and 15.7 of the ARB Subcontract included as part of Contractor's proposed PG&E Provisional Sum Task Order No. 24.1 (for reference only, see Transmittal No. CP02-05549), including the agreed upon markup described above.
2. The Authority understands that the DFJV intends to enter into a subcontract with TRC Solutions, Inc. (the "TRC Subcontract") for the electrical facility relocation portion of the PG&E Facility Work on the Project. The Authority agrees to pay Contractor the verified cost of a \$200MM wrap-up insurance policy and a \$10MM pollution policy insuring TRC's performance of that work on the terms specified in Articles 15.1, 15.3 and 15.7 of the TRC Subcontract included as part of Contractor's proposed PG&E Provisional Sum Task Order No. 39 (for reference only, see Transmittal No. CP02-07560), including the agreed upon markup described above.
3. The Authority agrees to pay the DFJV for the cost of procuring an excess liability insurance policy specific to the PG&E Facility Work with limits of \$200MM that is excess to the wrap-up policy provided under the TRC Subcontract.
4. If the actual value of the PG&E Facility Work exceeds \$160MM, the Parties shall negotiate and agree to further additions to insurance and pricing thereafter.
5. With respect to deductibles under DFJV's insurance program (including the excess liability insurance policy specific to the PG&E Facility Work referenced above and the DFJV's partners' respective corporate umbrella policies sitting above the DFJV's insurance program), if an insurance claim arises from performance of the PG&E Facility Work and is not directly caused by Contractor's failure to perform its coordination obligation in connection with that work, the Authority agrees to pay such deductible. For clarity, the Authority shall not in any instance be responsible for deductibles associated with DFJV subcontractor insurance policies.
6. With the exception of the wrap-up policy provided under the TRC Subcontract, which has already been bound, to the extent that the Authority agrees to pay costs of insurance as set forth herein, such agreement is only for coverage through the Final Acceptance Deadline, as may be revised from time to time.

LIABILITY:

1. DFJV's contractual liability, including Liquidated Damages, vis-à-vis the Authority in connection with the performance of the gas facility relocation portion of the PG&E Facility Work is limited to the aggregate liability limitation amount under the ARB Subcontract. (See Article 6.1 of the ARB Subcontract.) Provided, to the extent the Authority seeks to recover from DFJV for the acts or omissions of ARB, the Authority will be entitled to recover from DFJV when, if, and to the extent that DFJV is able to recover from ARB, except that if DFJV breaches its contract with ARB, the Authority is not the cause of said breach, and this is the basis for the underlying claim, the Authority's right to recover against DFJV shall not be limited to DFJV's ability to recover against ARB. DFJV agrees to diligently pursue such recovery at the Authority's request and direction, and in such event the Authority agrees to pay the reasonable third-party costs and expenses (including reasonable attorney and expert fees) incurred by DFJV in doing so.

Change Order equal to or more than \$5 million (Revised July 26, 2018)

Initials Acknowledging Page 1 of 4

Contractor	California High-Speed Rail Authority		
Acceptance by	Recommended by	Recommended by	Approved by

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- DFJV's contractual liability, including Liquidated Damages, vis-à-vis the Authority in connection with the performance of the electrical facility portion of the PG&E Facility Work is limited to the aggregate liability limitation amount under the TRC Subcontract. (See Article 37.2 of the TRC Subcontract.) Provided, to the extent the Authority seeks to recover from DFJV for the acts or omissions of TRC, the Authority will be entitled to recover from the DFJV when, if, and to the extent that the DFJV is able to recover from TRC, except that if DFJV breaches its contract with TRC, the Authority is not the cause of said breach, and this is the basis for the underlying claim, the Authority's right to recover against DFJV shall not be limited to DFJV's ability to recover against TRC. DFJV agrees to diligently pursue such recovery at the Authority's request and direction, and in such event the Authority agrees to pay the reasonable third-party costs and expenses (including reasonable attorney and expert fees) incurred by DFJV in doing so.

TIME IMPACT:

- Contractor shall be entitled to a compensable one day of extension to any affected Completion Deadline for every one day of delay in the Critical Path of the approved Baseline Schedule directly attributable to the performance of the PG&E Facility Work and to the extent not caused by Contractor's failure to perform its coordination obligation in connection with that work; provided, however, that nothing herein shall alter or limit the validity and effect of Change Order 45 and the releases contained therein (Project Settlement for Time Impacts and Delays Through August 31, 2017).

DRB DECISION:

- The Parties agree that Dispute Resolution Board's November 27, 2017 decision is withdrawn from the project record and inadmissible in future proceedings.

CLARIFICATION RE: SCOPE OF CHANGE ORDER:

- Compensation for any costs or delays incurred by Contractor from September 1, 2017, through the date of execution of this Change Order related to the performance of the PG&E Facility Work are not covered by this Change Order.

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Release of Claims

Except as modified by this Change Order, all terms and conditions of the Contract, as previously modified, remain unchanged and in full force and effect. The parties agree that this Change Order is a final and equitable adjustment of the Contract time and Contract amount and constitutes a mutual accord and satisfaction of all claims, current or future, of whatever nature caused by or arising out of the facts and circumstances surrounding this Change Order including, but not limited to, direct, indirect and consequential costs; additional time for performance; and the impact of the modifications specified in this Change Order, alone or taken with other changes, on the unchanged Work.

Contractor's Sworn Certification

By the signature of its authorized representative below, the Contractor certifies under penalty of perjury (under the laws of California, executed in Selma, California on the date provided below), that the following is true and correct:

This Change Order is made in good faith and in accordance with the terms of the Contract. The amount of time and/or compensation requested accurately reflects the appropriate adjustments and includes all known and anticipated impacts that may be incurred as a result of the event giving rise to this change.

The Environmental Compliance Manager has made a preliminary assessment of this Change Order that the document (circle appropriate comment):

Does / Does not comply with all Environmental Requirements, including without limitation, the Final Environmental Documents and Governmental Approvals
Will / **Will not** result in a Variation
Will / **Will not** require additional CEQA/NEPA review or documentation
Will / **Will not** require Supplemental or Amended Governmental Approvals pursuant to the Environmental Re-Examination Process

The Contractor has no reason to believe and does not believe that the factual basis for this Change Order is falsely represented.

The Contractor has investigated the basis for each Subcontractor proposal and cost related to the Work and has determined that each such proposal and cost is justified as to entitlement and amount of money and/or time requested and has no reason to believe and does not believe that the factual basis for the Subcontractor's proposal and cost related to the Work in this Change Order is falsely represented.

Subcontractor's Sworn Certification

Attached as none [indicate documents or "none" if no such Subcontractors are involved]
is a sworn certification from each Subcontractor involved in the Work or event contemplated by this Change Order in accordance with the Contract.

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Dragados / Flatiron Joint Venture

Acceptance by

Signature

Michael Costa - Project Director

Date

10/16/18

California High-Speed Rail Authority

Submitted by

Signature

Patrick E. Jolly, P.E. - PCM Design Build
Oversight Manager

Date

10/16/18

Recommended by

Signature

Alberto Lopez, P.E. - Design & Construction
Manager

Date

10/16/18

Approval by

Signature

William Grimsley - Interim Deputy Director of
Infrastructure Delivery

Date

10/16/18

References: Delegation of Authority (DOA),
effective October 27, 2017, as amended

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